

# MEMORANDUM

**Date:** March 25, 2009  
**To:** All Interested Parties  
**From:** Katrina M. Johantgen, Executive Director  
**Subject:** State Charter School Facilities Incentive Grants Program  
Frequently Asked Questions

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This information is provided for charter school representatives planning to submit an application for the final funding round of the State Charter School Facilities Incentive Grant. This information is also posted on the Authority's web site, [www.treasurer.ca.gov/csfa](http://www.treasurer.ca.gov/csfa). If you have any questions or require additional information, you may contact the Authority at (916) 651-7710 or at (213) 620-4467.

## I. New Changes:

**Q: *Are there any significant changes for this funding from previous funding rounds?***

**A:** There are two important changes to the grant program for this final funding round:

- 1) The preference point category for overcrowded schools has been expanded to allow two options for calculating preference points. The higher of the two calculations will be assigned to applicants based on two options.

Option 1: Overcrowded school site as determined by the California Department of Education's Overcrowded Relief Grant program, or

Option 2: Overcrowded school district as determined by the Office of Public School Construction's New Construction Eligibility program.

- 2) Charter schools that have received an award through the program are not eligible to receive an additional award.

## II. Deadline/Mailing Dates:

**Q: *What if our school misses the April 20, 2009 application deadline?***

**A:** Late applications will not be accepted. All applications *must* be received no later than 5:00 p.m. on Monday, April 20, 2009.

**Q: *Should the application be mailed to the Sacramento or the Los Angeles address?***

A: Applications may be mailed or hand delivered to the Authority's offices in Sacramento or Los Angeles. The addresses are provided below:

California School Finance Authority  
915 Capitol Mall, Room 336  
(via the fifth floor mail room)  
Sacramento, CA 95814

California School Finance Authority  
304 South Broadway, Suite 550  
Los Angeles, CA 90013

Hand-delivered\* applications must be received before the 5:00 p.m. deadline.

*\*Please be aware that hand-delivered applications will not have a mailing date for use in the event of a tie-breaker. Please refer to section 10183 regarding tie-breakers.*

**III. General Information:**

**Q: *What are the eligibility criteria for this grant program?***

A: Any charter school will be eligible to apply for this grant program if *all* of the following conditions are met. For additional information, see Section 10177.

- (a) An approved charter has been awarded and is in place and current at the time of application, and without interruption throughout the application review and approval process.
- (b) The charter school is in good standing with its chartering authority and is in compliance with the terms of its charter at the time of application submission and without interruption throughout the term of the grant. The Authority will rely on information from the chartering authority regarding the school's good standing and compliance with the terms of its charter.
- (c) The charter school has completed at least one school year of instructional operations under its current County-District-School (CDS) Code and charter number issued by the California Department of Education.
- (d) The charter school has not previously received an award for funding through this article (program).
- (e) At least eighty percent (80%) of the instructional time offered by the charter school shall be at the school site, and the charter school shall attain an average daily attendance rate of at least eighty percent (80%) based on the school's most recent CBEDS report.
- (f) The charter school is established pursuant to Education Code section 47600, et seq., and also meets the federal definition of charter school as defined in section 5210(1) of the Elementary and Secondary Education Act of 1965 (20 USCA section 7221(i)), as amended by the No Child Left Behind Act of 2001.
- (g) The charter school admits students by lottery in the event more students want to attend the school than the school can accommodate.

**Q: *What type of information should be submitted with the application to demonstrate the charter school is in good standing with its chartering entity, and in compliance with the terms of its charter?***

A: Aside from a copy of the current charter and verification of the charter term, an applicant does not need to submit anything. Authority staff will seek the required verification directly from the chartering entity.

**Q: *Are charter schools eligible to apply for funding from both the California Department of Education's Charter School Facility Grant Program (SB 740) and this program?***

A: Charter schools may apply for both programs because SB 740 will be providing grant funds toward a charter school's lease or site improvement costs incurred during a prior school year, while this program, the State Charter School Facilities Incentive Grants Program, will be targeting costs to be incurred in a future school year.  
Charter schools that receive grant funds authorized under either of these two programs should be aware that they may not receive funding in excess of 75 percent of annual lease costs through either program, or in combination with either program, for any one school year.

**Q. Will charter schools that receive these federal funds be required to comply with any audit requirements?**

A. Yes. Subgrantees that receive more than \$500,000 in federal funds in any year, through this grant program or in combination with any other grant program, will be required to conduct an A-133 audit for that year.

#### **IV. Preference Points:**

**Q: *Does an applicant (charter school) need to have a 501(c)(3) letter from the Internal Revenue Service to receive the twenty non-profit preference points?***

A: Pursuant to section 10182, the school or entity operating the charter school must meet the definition of a nonprofit entity to receive the twenty preference points. If a school is operated by a nonprofit public benefit corporation, but does not have a 501(c)(3) letter from the Internal Revenue Service, the applicant can provide a copy of the entity's letter from the California Secretary of State that reflects its nonprofit status.

**Q: *Who is responsible for determining the amount of low-income preference points (section 10182 of program regulations) that each school receives?***

A: The low-income preference points will be based on the Free & Reduced Price Meals percentage for the current school year, as provided by the California Department of Education (CDE). Authority staff will access this information directly from CDE's web site.

If there is an error in the percentage reported for your charter school for the current school year, you will be responsible for contacting CDE to correct their records.

**Q: *Who is responsible for determining the amount of overcrowded preference points that each school receives?***

A: The overcrowded preference points will be based on the greater of the two calculation options using current information on file with the California Department of Education and the Office of Public School Construction, as described in Section 10178. Authority staff will access this information directly from CDE and OPSC. If current information is not available, the school will not receive any preference points for this category.

**Q. *Who is responsible for determining the amount of Academic Performance Index Growth Target (API) preference points that each school receives?***

A. The API preference points, based on student performance for the most recent year, will be obtained from the California Department of Education. Authority staff will access this information directly from CDE's web site.

#### **V. Maximum Grant Awards:**

**Q: *How can an applicant determine its maximum grant amount?***

A: The maximum annual grant award is based on a "lesser of the two" calculation.

Calculation 1) Authority staff will verify the number of students using the enrollment data provided by CDE and multiply that figure by the per-pupil grant amount of \$750 for lease or rent, or \$1,000 for purchase or construction.

Calculation 2) This calculation will be based on 75 percent of a school's annual facilities costs for lease or rent, or 75 percent of the costs for a purchase, construction, or renovation project.

Grant Amount: The maximum annual eligible grant award will be the lesser of the two aforementioned calculations.

For example, if the school's enrollment is 200, then the calculation for lease or rent based on enrollment would be \$150,000 (200 x \$750). If the school's annual lease or rent is \$50,000, then the calculation based on costs would be \$37,500 (\$50,000 x 75%). The lesser of the two calculations would be \$37,500, and the school would be eligible to receive an annual award of \$37,500 (lesser of the two).

**VI. Construction Projects:**

**Q: *Will schools that receive funding through this program for construction or renovation projects be required to comply with Davis-Bacon prevailing wage levels?***

A: Yes. The Davis-Bacon Act requires that any federally funded or assisted construction project pay prevailing wages to laborers (if the contract exceeds \$2,000). Specific wage requirements may be found at the following link, [www.gpo.gov/davisbacon/index.html](http://www.gpo.gov/davisbacon/index.html), click on 'Browse Determinations by State'

**Q: *Will charter school's that receive these federal funds for a construction project be required to comply with federal requirements, such as the National Environmental Protection Act (NEPA)?***

A: For the purposes of this grant program, all charter schools that receive an award of these grant funds will be required to meet all applicable federal, state, and local health and safety requirements.

If you have any questions or concerns, do not hesitate to contact the Authority at (916) 651-7710 or (213) 620-4467.